



# House of Representatives

**File No. 647**

General Assembly

February Session, 2000

**(Reprint of File No. 235)**

Substitute House Bill No. 5176  
As Amended by House  
Amendment Schedule "A"

Approved by the Legislative Commissioner  
April 19, 2000

***An Act Concerning Assessment Of The Personal Property Tax  
On Telecommunications Facilities By Municipalities And  
Reports On The Location Of Telecommunications Towers.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-80a of the general statutes is repealed and the  
2 following is substituted in lieu thereof:

3 (a) Any [(1)] taxpayer which, prior to January 1, 1990, was subject to  
4 tax under chapter 211 with respect to the rendering of  
5 telecommunications service and which, on or after January 1, 1990, is  
6 subject to tax under chapter 219 for [rendering] telecommunications  
7 service [and (2) other taxpayer that is subject to tax under chapter 219  
8 for rendering telecommunications service and which has elected in the  
9 manner specified in this section to have personal property taxed as  
10 provided in this section,] rendered shall be required to submit to the  
11 Commissioner of Revenue Services and the Secretary of the Office of  
12 Policy and Management, not later than the thirtieth day of November  
13 of each year during which it is subject to tax under chapter 219, a list of  
14 all personal property [that is] owned by such taxpayer in this state on

15 the first day of October of such year and that is used solely and  
16 exclusively for rendering telecommunications service, as defined in  
17 said chapter 219, including the location of each item of such property  
18 and the fair market value thereof, recognizing depreciation of such  
19 property to the maximum extent allowed for purposes of the  
20 corporation business tax in this state, as certified by the Commissioner  
21 of Revenue Services. If the records of a taxpayer subject to the  
22 requirements of this subsection do not contain the data necessary to  
23 develop the list as required without undue cost, the taxpayer may, for  
24 purposes of requirements under this subsection, petition the  
25 Commissioner of Revenue Services for approval of an alternate  
26 method of determining the value of the plant used solely and  
27 exclusively to render telecommunications services, but not including  
28 central office or switching equipment of that taxpayer, located in each  
29 town in the state. If the commissioner finds that the alternative method  
30 proposed results in a reasonable approximation of the value of the  
31 property of the taxpayer located in each town, and used solely and  
32 exclusively for rendering telecommunications service, the  
33 commissioner shall notify the taxpayer that the proposed alternate  
34 method is acceptable and the taxpayer shall be permitted to use the  
35 alternate method in developing the list required under this subsection.

36 (b) Not later than the first day of February immediately following  
37 the end of such tax year, the Secretary of the Office of Policy and  
38 Management shall determine, with respect to such company, a value  
39 for personal property equivalent to seventy per cent of the value of  
40 personal property included in the list of such property prepared and  
41 certified in accordance with subsection (a) of this section. The amount  
42 of tax applicable with respect to such personal property of any  
43 taxpayer subject to the tax imposed under this section shall be  
44 determined by multiplying the value of personal property of such  
45 company, as determined under this subsection, by a mill rate of  
46 forty-seven mills. Said secretary shall, not later than the first day of  
47 March immediately following the end of such tax year, submit a tax  
48 bill to each company stating the amount of tax payable to each town in

49 relation to the personal property of such taxpayer located in such  
50 town. Such tax shall be due and payable to the town in which such  
51 personal property is located not later than the first day of April  
52 immediately following. Any city or borough not consolidated with the  
53 town in which it is located and any town containing such a city or  
54 borough shall receive a portion of the tax due and payable to such  
55 town on the basis of the following ratio: The total taxes levied in the  
56 previous fiscal year by such town, city or borough shall be the  
57 numerator of the fraction. The total taxes levied by the town and all  
58 cities or boroughs located within such town shall be added together,  
59 and the sum shall be the denominator of the fraction. Any such city or  
60 borough may, by vote of its legislative body, direct the Secretary of the  
61 Office of Policy and Management to reallocate all or a portion of the  
62 share of such city or borough to the town in which it is located.

63 (c) With respect to tangible personal property included in the list of  
64 such property submitted to the Secretary of the Office of Policy and  
65 Management as provided in subsection (a) of this section, any taxpayer  
66 subject to the tax imposed under this section for any tax year shall not  
67 be subject to property tax in any town applicable to such personal  
68 property for the assessment year in such town commencing on the first  
69 day of October immediately preceding the date on which the tax  
70 determined with respect to such property in accordance with this  
71 section becomes due and payable.

72 [(d) Any taxpayer that, on or after January 1, 1990, is subject to tax  
73 under chapter 219 for rendering telecommunications service but that,  
74 prior to January 1, 1990, was not subject to tax under chapter 211 for  
75 rendering telecommunications service may elect to have personal  
76 property taxed in the manner specified in this section. Such election  
77 shall be made in writing and filed with the Secretary of the Office of  
78 Policy and Management and a copy thereof shall be filed with the  
79 assessor of each town in which personal property affected by such  
80 election is located. Such election, once filed with the secretary, shall be  
81 irrevocable and shall, if filed on or before the date that is two months  
82 prior to the start of the assessment year, be effective for such

83 assessment year and for all succeeding assessment years, otherwise to  
84 be effective for the next succeeding assessment year and all succeeding  
85 assessment years.]

86 [(e)] (d) For assessment years commencing on or after October 1,  
87 1997, the provisions of this section, including informational reporting  
88 requirements imposed on owners, shall also apply, to the extent  
89 provided in section 12-80b, to property that is used both to render  
90 telecommunications service subject to tax under chapter 219 and to  
91 render community antenna television service subject to tax under  
92 chapter 219 and that is required, under subsection (a) of section 12-80b,  
93 to be taxed as provided in this section.

94 Sec. 2. (NEW) (a) Any person liable for the tax under section 12-80a  
95 of the general statutes, as amended by this act, who fails to pay the tax  
96 that is due on the tax bill prepared under said section 12-80a, within  
97 the time specified under the provisions of said section 12-80a, shall pay  
98 interest at the rate of one and one-half per cent per month or fraction  
99 thereof, from the due date of such tax until the date of payment.

100 (b) Any person subject to the provisions of section 12-80a of the  
101 general statutes, as amended by this act, who fails to file the list  
102 required under said section 12-80a, or who fails to include personal  
103 property owned by such person on such list, shall pay the tax that  
104 would have been due if the assessment with respect to such list or the  
105 property not included on such list, as applicable, were increased by  
106 twenty-five per cent, provided the secretary may grant an extension of  
107 not more than forty-five days to file such list upon determining that  
108 there is good cause.

109 Sec. 3. (NEW) (a) As used in this section, "telecommunications  
110 tower" means any telecommunications tower owned or operated by  
111 the state, a public service company, as defined in section 16-1 of the  
112 general statutes, as amended, or a certified telecommunications  
113 provider, as defined in said section 16-1, used for personal wireless  
114 services, as defined in 47 USC 332(c)(7).

115       (b) On or before January 1, 2001, and quarterly thereafter, the chief  
116       elected official of each municipality shall file with the Connecticut  
117       Siting Council a report that contains the location and height of each  
118       existing and proposed telecommunications tower in the municipality.  
119       The municipality may include such other information in the report that  
120       it deems relevant.

121       Sec. 4. This act shall take effect from its passage and shall apply to  
122       municipal assessment years commencing on and after October 1, 2000.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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### **OFA Fiscal Note**

**State Impact:** See Explanation Below

**Affected Agencies:** Office of Policy and Management,  
Connecticut Siting Council

**Municipal Impact:** See Explanation Below

### **Explanation**

**State Impact:**

There is a potential minimal cost savings and workload reduction to the Office of Policy and Management because the number of telecommunications companies allowed the statewide property tax assessment in lieu of the local property tax assessment will be fewer.

**Municipal Impact:**

Because the municipal valuation (assessment, depreciation schedules) of telecommunications companies' personal property is different than that used by the state municipal grand lists would be affected. The effect over time would be to increase in the aggregate municipal grand lists, but the magnitude of the increase cannot be determined.

There is a minimal cost to municipalities to report to the Connecticut Siting Council the location and height of existing and proposed telecommunications towers.

House 'A' allows an extension of up to 45 days for filing returns under the statewide assessment and has no fiscal impact.

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**OLR Amended Bill Analysis**

sHB 5176 (as amended by House "A")\*

**AN ACT CONCERNING ASSESSMENT OF THE PERSONAL PROPERTY TAX ON TELECOMMUNICATIONS FACILITIES BY MUNICIPALITIES AND REPORTS ON THE LOCATION OF TELECOMMUNICATIONS TOWERS.**

**SUMMARY:**

This bill eliminates an option under which certain telecommunications companies could choose to subject their personal property to a statewide property tax assessment in lieu of the local property tax assessment. It establishes penalties for companies that are still allowed this option but fail to file a tax return, file an incomplete return, or are delinquent in their tax payments.

The bill requires the chief elected official of each municipality to report to the Connecticut Siting Council the location and height of each existing and proposed telecommunications tower in the municipality. The reports must be filed quarterly, with the first report due by January 1, 2001. The report must cover towers that are (1) owned or operated by the state, a public utility, or a telecommunications company and (2) used to provide personal wireless services, such as personal communications services (PCS). It can contain other information the municipality considers relevant.

\*House Amendment "A" allows an extension of up to 45 days for filing returns under the statewide assessment.

EFFECTIVE DATE: Upon passage and applicable to assessment years starting on and after October 1, 2000.

**PERSONAL PROPERTY TAXES FOR TELECOMMUNICATIONS COMPANIES**

Under current law, entities subject to the sales tax for rendering telecommunications services can choose to have their personal property subject to a statewide, rather than local, property tax



assessment. The bill limits this option to taxpayers that were subject to the utility companies gross receipts tax before January 1, 1990 and the sales tax thereafter. It repeals the procedures by which other taxpayers could avail themselves of this option. As a result, such taxpayers will be subject to the laws governing local property taxes.

Under the statewide option, taxpayers must submit a list of their personal property to the revenue services commissioner and the secretary of the Office of Policy and Management (OPM) rather than the local assessor. The list must identify where the property is located and its fair market value. Such property is eligible for depreciation at the maximum rate allowed under the state corporation business tax, which is generally greater than the rate allowed under local property tax. The OPM secretary must calculate each company's tax liability using a statewide mill rate of 47 mills. The taxpayer must pay the tax to each municipality in which it owns personal property by April 1. Such property is not subject to the local property tax.

## **PENALTIES**

The bill requires any taxpayer that elects the statewide option to pay interest at the rate of 1.5% per month or fraction thereof on any payment that is late. It subjects a taxpayer who fails to file a list or files an incomplete list to a penalty equal to the tax that would have been paid if its assessment were increased by 25%. It allows the OPM secretary to grant an extension of the filing deadline of up to 45 days for good cause. Similar provisions apply under local property tax law.

## **BACKGROUND**

### ***Legislative History***

On March 31, the House referred the bill to the Finance Revenue and Bonding Committee, which reported it unchanged on April 5. On April 7, the House referred the bill to the Energy and Technology Committee, which reported it unchanged on April 12.

## **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute Report

Yea 16      Nay 0

Finance Revenue and Bonding Committee

Joint Favorable Report

Yea 41      Nay 3

Energy and Technology Committee

Joint Favorable Report

Yea 16      Nay 0